

EXHIBIT B

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
Civil Action 11 CIV 9199

U.S. BANK NATIONAL :
ASSOCIATION, as :
Indenture Trustee :
:
Plaintiff, :

vs. :

BARCLAYS BANK PLC, : DEPOSITION OF:
THE BANK OF NEW YORK :
MELLON, MBIA : DANIEL I. CASTRO, JR.
INSURANCE CORPORATION :
and ANGELO GORDON & :
COMPANY, L.P., :
:
Defendants. :

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****CONFIDENTIAL****

TRANSCRIPT of the stenographic notes
of the proceedings in the above-entitled
matter, as taken by and before
CAROLYN CHEVANCE, a Shorthand Reporter, and
Notary Public of the State of New Jersey, held
at the office of SKADDEN ARPS, 4 Times Square,
New York, New York, on August 10, 2012,
commencing at 9:36 a.m.

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1 DANIEL I. CASTRO, JR.
 2 If the collateral administrator
 3 negligently prepares a payment report that
 4 reflects a hundred million dollar under
 5 payment to the A-one shareholders, can that
 6 trigger an event of default under section
 7 5.1c?
 8 A I don't know that a dollar
 9 amount in your example, in your question,
 10 matters whether it is a hundred million,
 11 million, or a single dollar but if there is
 12 an alleged mistake, then that mistake is
 13 suppose to be investigated and resolved, and
 14 if it can't be resolved ultimately it may end
 15 up in a litigation such as this.
 16 Q If there is an incorrectly
 17 prepared payment report and the Trustee
 18 ignores that incorrectly prepared payment
 19 report and distributes payments in accordance
 20 with the correct priority of payments under
 21 Section 11.1, would that trigger an event of
 22 default under section 5.1c?
 23 A Let me make sure I understand.
 24 You are asking me if a Trustee received a
 25 payment report that he believed was in error

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1 DANIEL I. CASTRO, JR.
 2 and he didn't follow it.
 3 Q Yes.
 4 A You are asking me if that would
 5 be -- that might be. I think the point of
 6 5.1c is to make sure that the Trustee doesn't
 7 -- does in fact follow the payment report.
 8 Q So even if the Trustee pays in
 9 accordance with the waterfall that can still
 10 trigger an event of default under 5.1c if he
 11 doesn't to the follow the payment report; is
 12 that correct?
 13 A I believe that 5.1c goes to the
 14 Trustee following the payment report plain
 15 and simple. Plain and simple. However is it
 16 drafted here, that is the intent of it.
 17 Q I'm going to ask the same
 18 question again, I think you may have answered
 19 it, but I'm looking for a yes or no?
 20 A So even if the Trustee pays in
 21 accordance with the waterfall, that can still
 22 trigger an event of default under 5.1c if he
 23 doesn't follow the payment report; is that
 24 correct.
 25 Let me look at 5.1c.

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1 DANIEL I. CASTRO, JR.
 2 Q Sure.
 3 A I'm sorry to ask you to repeat
 4 again but I'm looking at at lot of material.
 5 Q Sure.
 6 If there is an improperly
 7 prepared payment report and the Trustee
 8 ignores that improperly prepared payment
 9 report, and instead pays in accordance with
 10 the waterfall requirements of 11.1, can that
 11 trigger an event of default under 5.1c?
 12 MR. FIRESTONE: Objection to
 13 form.
 14 A My understanding as a long term
 15 market participant, and being collateral
 16 manager of them is that in all circumstances
 17 the Trustee is required to follow the payment
 18 report.
 19 He does not have discretion not
 20 to follow it. If he disagrees with it he can
 21 dispute it, he can argue it, he can try to
 22 resolve it, but ultimately he must follow the
 23 payment report and events of default in this
 24 transaction, being 5.1c and another
 25 transaction whatever section they may be, are

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1 DANIEL I. CASTRO, JR.
 2 there to ensure that the Trustee follows the
 3 directions provided by the collateral
 4 administrator in preparing that report.
 5 I think that answers your
 6 question.
 7 Q I'm not sure it does. You are
 8 an expert so all I'm trying to do is get a
 9 yes or no answer as to whether an event of
 10 default is triggered.
 11 So I'm going to ask the question
 12 again.
 13 MR. GRUENGLAS: You can direct
 14 him not to answer if you'd like.
 15 MR. FIRESTONE: Asked and
 16 answered. He has answered the question.
 17 Q But my question is simply, if
 18 there is an improperly prepared payment
 19 report and the Trustee ignores that
 20 improperly prepared payment report, and
 21 instead pays in accordance with the waterfall
 22 requirements of 11.1, can that trigger an
 23 event of default under 5.1c?
 24 MR. FIRESTONE: Objection, asked
 25 and answered.